of labour during the war, and by depletion of materials and stocks, and also, of course, by the fact that if the war had not happened, we should, if pre-war calculations were correct, have put some £1700 millions into new investments at home and abroad during the 4½ years of fighting and some more hundreds of millions during the after-war period of Government borrowing and restriction on private investment. But a very large part of the money that went into victory would otherwise have gone not to capital account but into the pleasant frivolities, embellishments and vulgarities that made life an amusing absurdity in days before the war.

If, then, the war sacrifice was made during the war, in so far as its cost was raised at home, how far is it true that we are now faced with the business of paying for it ? If taxation were equitable it would only be to the extent that those who ought to have made the sacrifice and did not, will in future have to pay interest to those who did, or their representa-
tives. So that the first thing we have to do is to make taxation equitable, that is, lay it on the tax-payer in proportion to his ability to pay. There will still remain the injustice to those who have fought for us, which might be cured, or amended, by special exemptions. With taxation on a really sound basis no further sacrifice would be involved by the debt charge, and no diminution of the nation's

wealth or consuming power, which will depend, as always, on its output of goods and services; but only a transfer of consuming power from taxpayers to debtholders in accordance with the sacrifice made by the latter